

U.S. Department
of Transportation
**United States
Coast Guard**

Commandant
United States Coast Guard

2100 Second Street, S.W.
Washington, DC 20593-0001
Staff Symbol: G-SCT-2
Phone: (202) 267- 2860



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August 21, 1998

Ms. Magalie Roman
Federal Communications Commission
1919 M Street
Washington, D.C. 20554

FCC MAIL ROOM

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RE: IB Docket No. 98-96

Dear Ms. Salas:

The United States Coast Guard respectfully submits the following comments in response to the Notice of Proposed Rulemaking (NPRM) in the above-referenced proceeding.

The Federal Communications Commission (FCC) in this proceeding has proposed to withdraw as a nationwide clearinghouse for settling accounts for maritime mobile, maritime satellite, aircraft, and hand-held terminal radio services. The FCC instead proposes to rely upon private accounting authorities, certified under Part 3 of the FCC Rules and operating under the regulatory oversight of FCC staff, to perform these functions. The U.S. Coast Guard is responsible for protecting safety of life and property at sea and is concerned with the potential effect of this proposal on the ability of shipowners and operators to communicate safety-related information to us and to others. The Coast Guard therefore has a direct interest in this proceeding. The Coast Guard also relies upon the FCC accounting authority services for use of Inmarsat ship earth stations on its own vessels, but is coordinating a separate reply on that matter through the Interdepartment Radio Advisory Committee and the National Telecommunications and Information Administration.

Accounting authority required for maritime distress and safety communications.

Although the title to this proceeding suggests, properly, that the FCC has no intention of affecting safety related communications, that may nevertheless occur unless care is taken to ensure a seamless transition to a new accounting authority. That is because an accounting authority designation is necessary for distress and safety telecommunications onboard ships, particularly when a maritime mobile satellite system is being used. Currently, Inmarsat is the only worldwide maritime mobile satellite system providing the needed safety communication services. Inmarsat will not commission a ship earth station intended to provide distress and safety services until an accounting authority is designated. Although maritime distress and certain safety communications are provided at no charge, other types of safety communications do incur a charge, and an international accounting mechanism is necessary to ensure those communications can be made anywhere in the world. For this reason, the Second Session of the International Maritime Organization's (IMO's) Communications and Search and Rescue Subcommittee (COMSAR), which met 27-31 January 1997, reaffirmed during discussions the

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need for an accounting authority in Global Maritime Distress & Safety System (GMDSS) mobile satellite communications.

Loss of an accounting authority can affect ship safety.

The Inmarsat Organization, after consultation with the IMO, established a procedure to bar operation of any commissioned ship earth station if payment has not been made for services. A barred ship earth station can still initiate a ship-to-shore distress alert, but cannot be used for any other safety-related purpose. For example, such communications as medical, pre-distress situation, navigational, and search and rescue coordination cannot occur with a barred ship earth station. If neither the designated nor a competent default accounting authority exists any longer, then foreign coast earth stations will have no means of billing the satellite user, and the owner user may find his or her ship earth station barred through no fault of their own. The owner may not even know he or she had an accounting authority, nor know what an accounting authority is, nor know that he or she has outstanding bills from foreign coast stations. Although Inmarsat has agreed to notify the ship earth station operator 14 days prior to barring, that time may not be sufficient for some mariners far from home to resolve the problem in time. As illustrated by the examples above, a ship on the high seas whose only reliable means of long-range communications has suddenly become barred may be a danger to itself and to others, as well as a potential problem for the U.S. Coast Guard.

Most maritime users of Inmarsat have knowingly or unknowingly designated the FCC as their accounting authority.

The COMSAT Corporation, the U.S. Signatory to the Inmarsat Organization, has informed us that about three-quarters of the total 4,500 non-federal ship earth stations commissioned in the U.S., or approximately 3,375 ship earth stations, have the FCC designated as their accounting authority.

Accounting authority of last resort.

Unless a means is established to designate a new default accounting authority, those with existing ship earth stations already having FCC designated as their accounting authority could find their ship earth station barred through no fault of their own. Some means need to be provided to transfer accounting authority smoothly from the FCC to a new provider, and to ensure that responsibility continues.

Accounting authority provisions also affect marine radio users.

Boaters having VHF and HF marine radios communicating with foreign coast stations also need an accounting authority. Since marine VHF and HF communications, including Global Maritime Distress & Safety Communications, can be heard by anyone having a marine radio, broadcast of credit card information to pay charges in such circumstances makes this a decidedly inferior, if not infeasible, alternative.

Notifications.

At paragraph 16, the Commission noted the alternative of “issuing a Public notice to ship owners and users of other satellite terminals that they must enter into an agreement with a private accounting authority.” Because many, if not most, of those affected are boaters and small vessel owners, a public notice to ship owners may not be seen or recognized by those affected. While a public notice is probably necessary, notification of user organizations representing these users

would probably also be necessary, regardless of the alternative chosen. The Commission may also wish to consider individual letters to those that have in any way designated the FCC as accounting authority.

Possible significant impact on small entities.

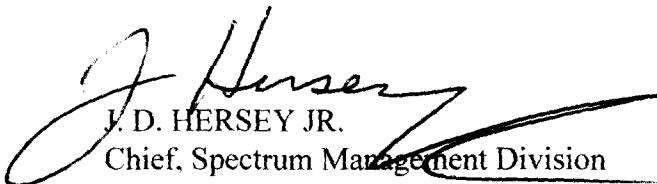
In Annex B of the NPRM, the FCC was not able to estimate the impact on “small entities” affected by this rulemaking, but instead asked for them to file written comments. These “small entities” affected by this rulemaking include hundreds of small fishing vessel operators, and other small commercial users who travel outside U.S. waters. These entities may not even know what an accounting authority is, or that the FCC provides this service, or be aware that this rulemaking is seeking their input. There could be a significant impact if the fees the new default provider charges are significantly different from the FCC’s fee of \$2 per message. The Coast Guard found that a typical charge for accounting authority services in the U.S. was \$600 per ship per year, plus a fee depending upon amount of traffic handled. Unless a means can be adopted for seamlessly transferring FCC’s accounting authority to a private vendor or vendors that charge rates reasonably comparable to that currently charged by the FCC, and unless a means can be found for notifying these “small entities” of the change, the impact on them may be significant.

Recommendations.

The U.S. Coast Guard recommends the FCC:

- Ensure that a default accounting authority continues to exist.
- Establish a smooth transition process for Inmarsat users and others to a new default accounting authority, ensuring charges by a new default accounting authority are and remain reasonably comparable to existing FCC charges.
- Notify organizations representing users of Inmarsat and others who have designated FCC as accounting authority of the change, and other users of FCC accounting authority services, giving them a chance to change designations before the change takes place. Individual notifications should be considered, if practical.
- Prepare a public notice, and contact recreational, commercial fishing and similar vessel organizations notifying them of the change and its impact on them and their safety.
- Before adopting this proposal, the FCC should establish a process to ensure that the economic impact on small entities by this proceeding are, and remain, non-significant.

Sincerely,


J. D. HERSEY JR.
Chief, Spectrum Management Division
By direction